

# **Collection Agency Board Meeting**

## **Tab 1 Call to Order**

March 17, 2015

9:00 AM

Department of Licensing  
Olympia, WA



STATE OF WASHINGTON  
**DEPARTMENT OF LICENSING**

PO Box 9027 • Olympia, Washington 98507-9027

**COLLECTION AGENCY BOARD  
 MEETING AGENDA**

**DATE:** March 17, 2015

**TIME:** 9:00 a.m.

**LOCATION:** Department of Licensing  
 405 Black Lake Blvd SW  
 2<sup>nd</sup> Floor, Conference Room 2209  
 Olympia, WA 98502

**1. Call to Order**

- 1.1. Introductions
- 1.2. Order Of Agenda
- 1.3. Approval Of Minutes: December 8, 2014
- 1.4. Review Communications

**2. Public Comment Opportunity**

**3. New Business**

- 3.1 Election of Vice Chair

**4. Old Business**

- 4.1 Complaint Process
- 4.2 Delegations

**5. Complaint Cases for Review\***

- 5.1 Case Manager Closures Report
- 5.2 Administrative Closures Report

**6. Legal Issues for Deliberation\***

- 6.1. Orders To Be Presented

**7. Disciplinary & Investigation Items**

- 7.1. Closed Session Deliberation report (*only necessary if closed session is held*)
- 7.2. Disciplinary Cases Report

**8. Assistant Attorney General's Report**

**9. Board Administrator's Report**

## 9.1. Program Operations

## 9.1.1. Legislative Updates

## 9.1.2. Licensing and application update

## 9.2. Department Of Licensing

## 9.3. Other Items

**10. Other Business**

## 10.1 Action Items From This Meeting

## 10.2 Agenda Items For Next Meeting

**11. Adjournment**

\*The Board may enter into closed session to discuss disciplinary proceedings.



STATE OF WASHINGTON  
**DEPARTMENT OF LICENSING**

**WASHINGTON STATE  
 COLLECTION AGENCY BOARD  
 DRAFT MEETING MINUTES  
 REGULAR BOARD MEETING**

**DATE:** December 8, 2014

**TIME:** 9:00 a.m.

**LOCATION:** Department of Licensing  
 405 Black Lake Blvd. SW  
 Building 2, Room 2209  
 Olympia, WA

**PRESENT:** Tami Dohrman, Chair  
 Richard Marker, Vice Chair  
 Scott Wiswall, Member  
 Raymond Henning, Member  
 Scott Kinkley, Member

**STAFF PRESENT:** Lorin Doyle, Administrator  
 Rick Storvick, Assistant Administrator  
 Autumn Dryden, Administrative Assistant  
 Lily Reinecke, Administrative Assistant  
 Grace Hamilton, Management Analyst  
 Julia Gambrel, Professional Licensing Manager

**OTHERS PRESENT:** Kathleen Drew, Director  
 John Dziedzic, Brief Adjudication Proceedings (BAP) Officer  
 Elizabeth Thompson-Lagerberg, AAG

**Board Orientation 9:00 AM**

Board members participated in an orientation to the board, board meeting process and general training.

**1. Call to Order – Regular Business Meeting 10:00 AM**

- 1.1.1 Introductions – Board members, staff and guests introduced themselves. Staff welcomed new board members: Tami Dohrman, Raymond Henning and Scott Kinkley.

## 1.2 Order of Agenda

Staff requested the following item be added to the agenda under New Business:

### 3.4. Open Public Meetings Act Attestations

Mr. Marker made a MOTION to accept the agenda as amended. Mr. Henning seconded the MOTION and it passed.

## 1.3 Approval of Minutes: April 21, 2014

Mr. Marker noted the meeting date in the footer was June 6, 2013 and should be corrected.

Mr. Wiswall made a MOTION to accept the minutes as amended. Mr. Henning seconded the MOTION and it passed.

**Action Item: Staff will change the footer in the April 21, 2014 minutes, as recommended.**

1.4. Review of Communications – Mr. Storvick reported staff is working on completing a large public disclosure request for information pertaining to RCW 19.16 in regards to the recognition of debt buyers being under the same jurisdiction as collection agencies.

## 2. Public Comment - None.

## 3. New Business

3.1 Complaint Process Overview & Recommendations – Mr. Storvick introduced the complaint intake staff member, Grace Hamilton, who reported there are currently over 50 open disciplinary cases. Mr. Storvick stated staff needs the board to delegate authority to process the complaints because of the change of staff.

3.2 Board Delegations – Ms. Doyle presented background information regarding Collection Agency Delegations. She directed board members to the report in the packet that outlined Board and Director authorities.

3.2.1. Mr. Dziedzic outlined the Brief Adjudicative Proceeding (BAP) process and identified where certain delegations could make processing complaints more efficient and timely. Ms. Lagerberg also made recommendations. Board members reviewed the draft "Delegation of Disciplinary Authority" document in the board packet and made the following changes: (d)(2)i. "made communications ~~excessive calls or otherwise harassed a debtor~~ in violation of RCW 19.16.250(13)a, b, c and/or (18)"; (d)(3) ". . . to recommend to ~~the Board, or the Board's designee(s)~~, that disciplinary action be commenced . . ."; (e)(2) ". . . conducted by a Brief Adjudicative Process Presiding Officer where the charges fall within (d)(2)."; (g)

“Receive, initiate, consider, and negotiate, ~~and reject or accept~~ offers of settlement . . .”

Mr. Marker made a MOTION to approve the Delegation of Disciplinary Authority, as amended. Mr. Henning seconded the MOTION and it passed.

**Action Item: Staff will bring a process map of the disciplinary process reflecting the newly adopted delegations to the next meeting.**

3.3 2015 Meeting Schedule – Staff stated the board has historically met twice a year and recommended scheduling board meetings in March and again in early September.

3.3.1. Regulatory Board Section Calendar - Board members agreed to meet on March 17, 2015 and on September 15, 2015 in Olympia at 9:00 a.m.

3.4 Open Public Meetings Act – Staff distributed attestation forms to board members and asked them to sign and return it if they watched the Open Public Meetings Act video, which is required training for all board members.

4. **Old Business** - None

5. **Complaint Cases for Review\*** - None

**Action Item: Staff will bring a complaint report to the next meeting.**

6. **Legal Issues for Deliberation\***

6.1 Orders To Be Presented - None

7. **Disciplinary and Investigation Reports** - None

7.1 Closed session deliberation report (only necessary if a closed session is held)  
No business

7.2 Disciplinary cases report  
No business

8. **Assistant Attorney General's Report** - None

9. **Board Administrator's Report**

9.1 Program Operations –Staff reported the Engineers Board will be joining the Design, Funeral & Collections Section in January and the work team will be renamed the Regulatory Boards Section. Staff explained the Engineers Board is coming fully staffed, so there will be very little impact on the section's existing boards and staff.

9.1.1 Legislative Updates – None

9.1.2 Licensing and Application Update - Staff addressed a report in the board packet about the number of new licensees.

**Action Item:** Staff will bring a report breaking out the number of licensees who are debt-buyers to the next meeting.

9.2 Department of Licensing  
No business

9.3 Other Items  
No business

**10. Other Business**

10.1 Action items from this meeting  
Action items were reviewed and will be added to the master action items list.

10.2 Agenda items for next meeting - None

**11. Adjournment 12:19 PM**

Approved by:

\_\_\_\_\_  
Rick Storvick, Assistant Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tami Dohrman, Chair

\_\_\_\_\_  
Date

# **Board Meeting**

## **Tab 2**

### **Public Comment**

The board has the option to allow comment from the public on agenda items or other topics, unless the comment is related to an open investigation.

The board may limit the comment period, and will provide instructions if it chooses to do so.



# **Board Meeting**

## **Tab 3**

### **New Business**

Topics for action or discussion by the board that were identified at or since the last board meeting.

Washington State Collection Agency Board  
March 17, 2015  
Olympia, WA

**Officer Election**

**Background:** The board may elect a Vice-Chair at its first meeting of the year.

**Recommendation:** The board elect a Vice-Chair for 2015.

Submitted by Board Staff  
February 23, 2015

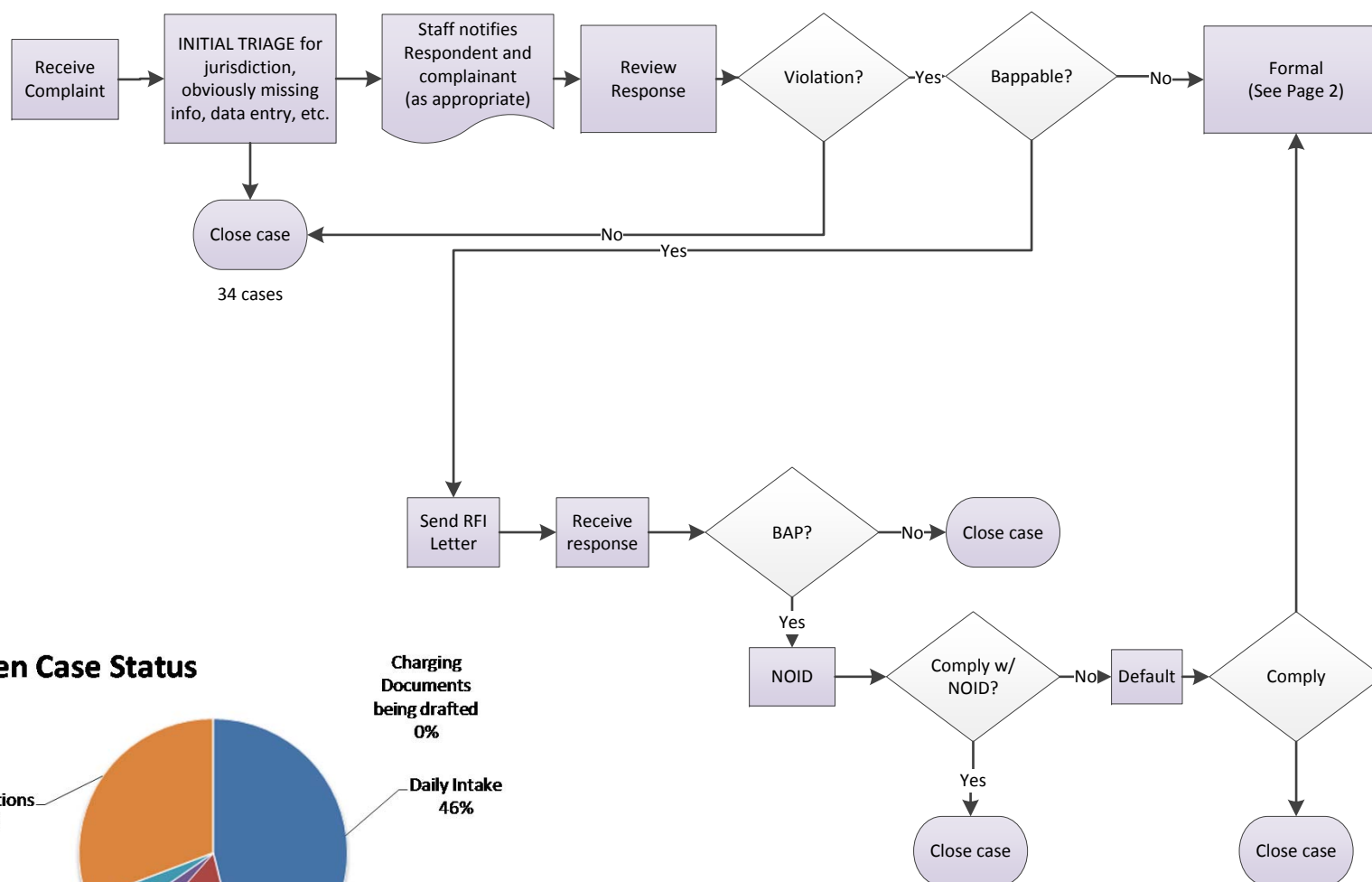
# **Board Meeting**

## **Tab 4**

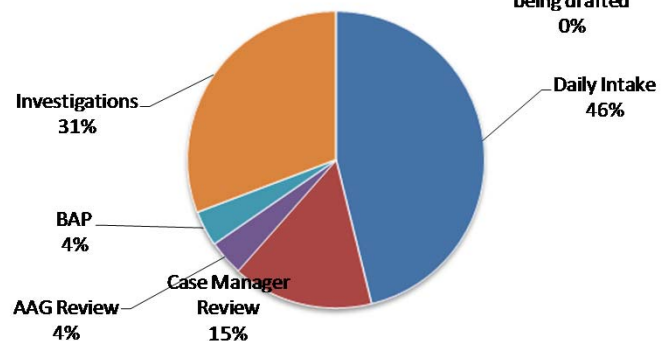
### **Old Business**

Topics from past meetings, presented for update, action or further discussion by the board.

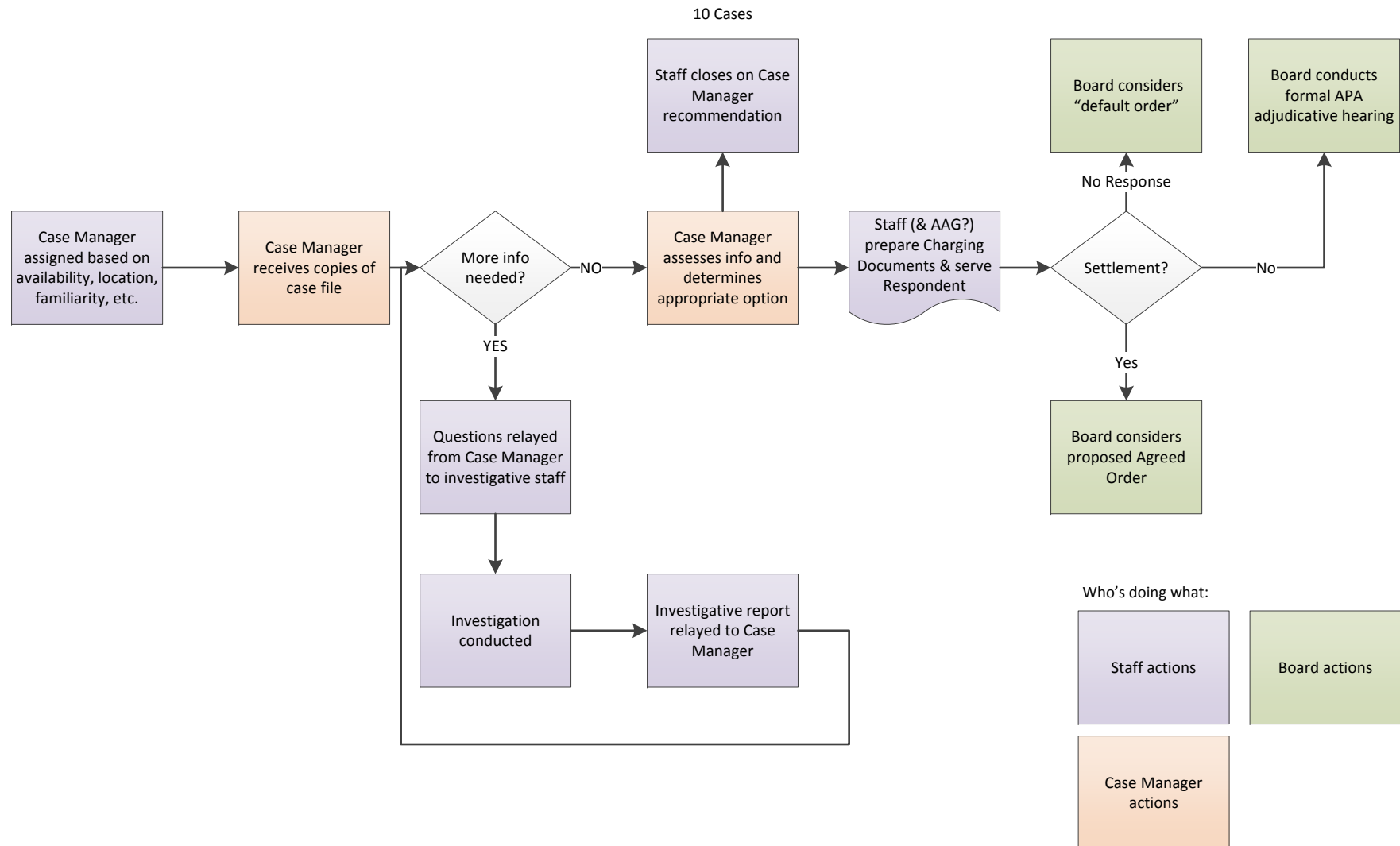
## Collection Agency Board Disciplinary Process Page 1 of 2



### Open Case Status



## Collection Agency Board Disciplinary Process Page 2 of 2



Washington State Collection Agency Board  
March 17, 2015  
Olympia, WA

### **Collection Agency Delegations**

**Background:** The statutes and rules governing collection agencies identify specific authorities of the board and of the director. Depending on the nature of the authority, it may be delegated to staff. At the December 2014 Collections Agency Board meeting the board delegated to staff the authority to investigate complaints, to issue or withdraw statements of charges, and to conduct Brief Adjudicative Proceedings.

**Recommendation:** Staff requests the board review the delegations and how they have been implemented since their adoption at the December 2014 board meeting.

Submitted by Board Staff  
February 23, 2015



STATE OF WASHINGTON  
DEPARTMENT OF LICENSING  
PO Box 9020 • Olympia, Washington 98507-9020

Delegation of Disciplinary Authority by  
**THE WASHINGTON STATE COLLECTION AGENCY BOARD**  
to  
**LORIN DOYLE**

I, Tamara L. Dohrman, Chair of the Washington State Collections Agency Board (the Board), acting under the authority of a majority affirmative vote of the Board, do hereby delegate to **LORIN DOYLE**, in her capacity as an Administrator with the Business and Professions Division of the Department of Licensing, the power to take the following actions, initially granted to the Board by Chapter 18.235 RCW (the Uniform Regulation of Business and Professions Act), with respect to any entity licensed or required to be licensed pursuant to Chapter 19.16 RCW (Collection Agencies):

- (a) Investigate complaints or reports of unprofessional conduct, including allegations regarding the practice of regulated businesses, professions or occupations without the required license.
- (b) Conduct examinations of records required by WAC 308-29-025 to be located at a licensee's place of business.
- (c) Take or cause depositions to be taken and use other discovery procedures, including the issuance of subpoenas to compel the production of documents, as needed in an investigation.
- (d) Determine whether there is sufficient evidence to find that a licensee, or entity required to be licensed, has engaged in unprofessional conduct; and such evidence is deemed to be:
  - (1) **insufficient**, to administratively close the case.
  - (2) **sufficient**, to initiate procedures under paragraphs (e) and (f) of this delegation. This authority is restricted to only those cases where the licensee, or entity required to be licensed, has been found to have:
    - i. made communications violation of RCW 19.16.250(13) (a) (b)(c) and/or (18);
    - ii. given, sent, or caused to be given or sent to any debtor, any notice not in compliance with RCW 19.16.250(8)
    - iii. collected, or attempted to collect, sums from a debtor in excess of those authorized under RCW 19.16.250(21);
    - iv. failed to timely obtain or renew a collection agency license.
  - (3) **sufficient**, and does not fall within the scope of paragraph (d)(2), above, to recommend to the Board's designee, that disciplinary action be commenced against the licensee or entity required to be licensed.

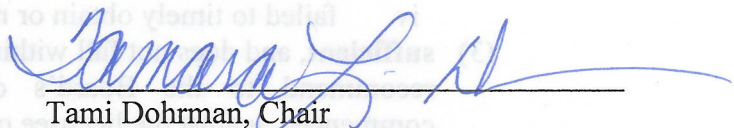


- (e) Initially determine whether, if challenged or appealed, a statement of charges or notice of intent should be adjudicated under the Administrative Act:
  - (1) **formally**, where a hearing is conducted by the Board, a committee of the Board, or an Administrative Law Judge; or
  - (2) **informally**, where a proceeding is conducted by a Brief Adjudicative Process Presiding Officer where the charges fall within (d)(2).
- (f) Personally notify, or designate program employee(s) to notify, persons licensed, or required to be licensed, when the Board, or the Administrator, acting under the delegated authority of the Board, is proposing to:
  - (1) impose any sanction(s) authorized by RCW 18.235.110(1); or
  - (2) order the person to cease and desist in any regulated activity, as authorized by RCW 18.235.150.
- (g) Receive, initiate, consider, and negotiate offers of settlement in any case initiated in accordance with paragraph (d)(2) of this delegation.
- (h) Withdraw:
  - (1) subpoenas issued under paragraph (c) of this delegation;
  - (2) notifications issued under paragraph (f) of this delegation;
  - (3) offers of settlement considered under paragraph (g) of this delegation.

For the purposes of this delegation, a "license" is as defined in RCW 34.05.010(9) and RCW 18.235.010(6). In addition, this delegation:

- is made by authority of and pursuant to RCW 18.235.030 and .040; and in accordance with Chapter 19.16. RCW (Collection Agencies); and Chapter 34.05 (the Administrative Procedures Act).
- does not include the authority to:
  - delegate further any power listed above, without the prior written permission of the Board Chair; or
  - to divulge, or authorize any other person to divulge, to any person (a) not associated with the Board; or (b) not employed by the department any privileged legal advice provided by any assistant attorney general to any member of the Board or any department employee. The authority to waive the attorney-client privilege with respect to such privileged communications is strictly limited to only the Board Chair and Director or Deputy Director of the department.
- shall remain in effect until otherwise amended, revoked or withdrawn; shall not be deemed exclusive; and shall not apply to an acting or interim Administrator. This delegation supersedes any previous delegations issued.

DATED this 8th day of December, 2014.

  
 Tami Dohrman, Chair  
 Washington State Collection Agency Board



# **Board Meeting**

## **Tab 5**

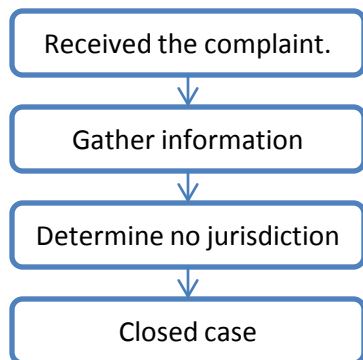
# **Complaint Cases for Review**

Complaint closure recommendations  
presented by the assigned case manager.

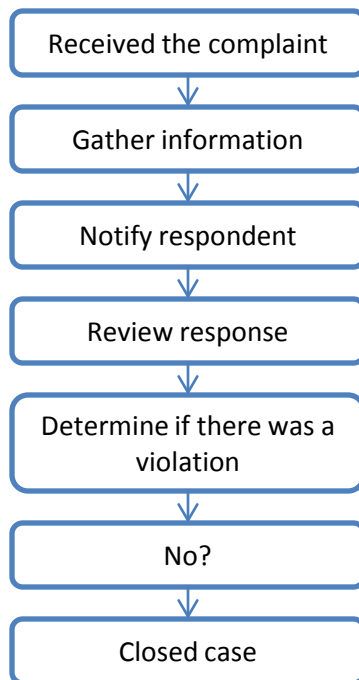
Board action is required on each case.

## Collection Agency Board Administrative Closures

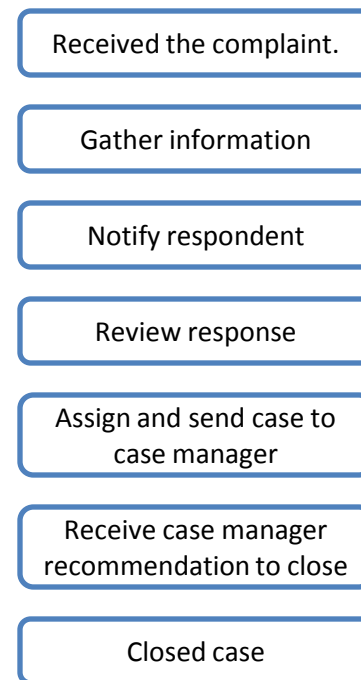
### 17 cases of no jurisdiction



### 17 cases with no violation



### 10 cases recommended to be closed by case manager



# **Board Meeting**

## **Tab 6**

### **Legal Issues for Deliberation**

Negotiated settlement orders or default orders  
presented by the board's prosecution team.

Board action is required on each order.

# **Board Meeting**

## **Tab 7**

# **Disciplinary & Investigation Reports**

Standard disciplinary reports and a list of any  
administratively-closed complaints.

Provided for information only –  
typically no board action is needed.

# **Board Meeting**

## **Tab 8**

### **Assistant Attorney General's Report**

Presentation of general legal issues  
of interest to the board.

Provided for information only –  
typically no board action is needed

# **Board Meeting**

## **Tab 9**

# **Board Administrator's Report**

Operational reports and information  
about legislative matters of interest to the board.

Provided for information only –  
typically no board action is needed.

Washington State Collection Agency Board  
 March 17, 2015  
 Olympia, WA

**Legislation of Interest:**

**Bill:** HB 1054 & SB 5222 - Concerning collection agency transaction fees for processing electronic payments.

**Summary:** Bill would allow a collection agency to collect a transaction fee for processing a credit card payment in an amount that does not exceed fifty cents plus three percent of the payment amount provided that a no-cost payment option is available to the debtor.

**Status:** HB referred to rules committee February 6th. SB Passed to Rules Committee for second reading February 9th.

**Bill:** HB 1649 & SB 5536 - Concerning the recoupment of certain costs by collection agencies.

**Summary:** Authorizes a collection agency to recoup the surcharge for local homeless and housing assistance from the debtor for documents recording a lien or satisfaction of lien.

**Status:** HB public hearing held February 12<sup>th</sup>. SB was substituted and amended in a way that no longer applies to program.

**Recommendation:** No action required at this time.

**Legislation affecting the program:**

**Bill:** SHB 1349/ SSB 5678 - Concerning requesting public records for the purpose of obtaining exempted information relating to employment and licensing.

**Summary:** This bill prohibits a party that obtains the identity of employees or volunteers from a public records request to an agency from using that information for the purpose of obtaining information that is exempt under the public records act.

**Status:** Both bills were passed to their respective rules committee.

**Bill:** HB 1371 - Regarding administrative procedures that promote accountability, transparency, and economic relief.

**Summary:** This bill suspends agency rule making.

**Status:** Awaiting executive action in the House Committee on State Government.

**Recommendation:** No action required at this time.

Submitted by Board Staff  
 January 14, 2015

Washington State Collection Agency Board  
 March 17, 2015  
 Olympia, WA

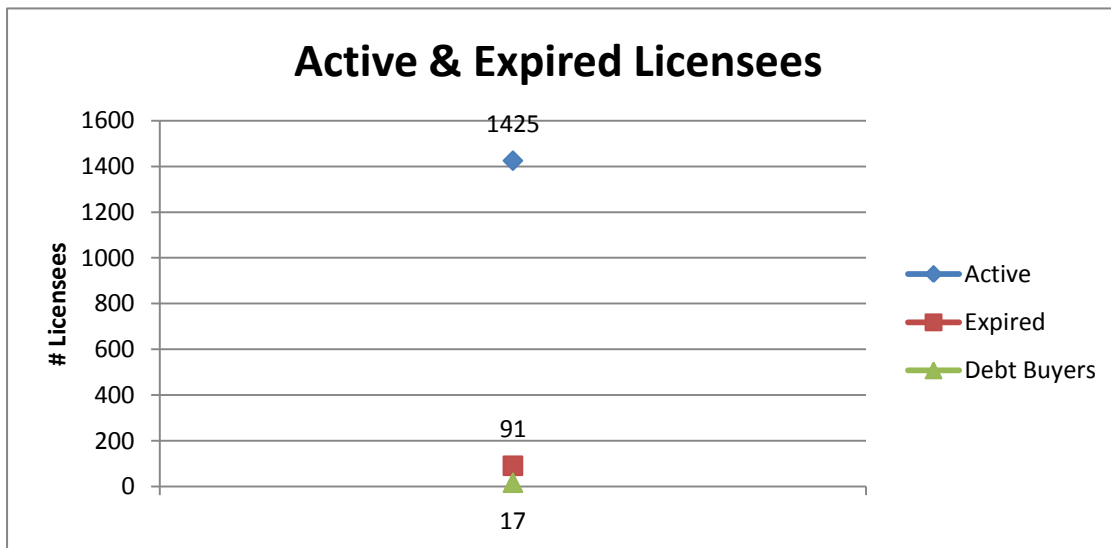
License Status Report

<u>Status</u>	<u>Total</u>	<u>Washington</u>	<u>Out-of-State</u>
Active Current	1,425	782	643
Active Expired	91		
Pending	24		
Held	48		
Suspended	1		
Terminated	2233		

3,822

Debt Buyers 17

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Washington State Collection Agency Board  
 Olympia, WA  
 March 17, 2015

New Licensees:	Total: 42
bc services inc bc services inc B-LO- LLC Canadian ICR central credit services llc central credit services llc central credit services llc central credit services llc central credit services llc central credit services llc central credit services llc central credit services llc collect pros llc Contract Callers INC Convergent Healthcare Recoveries Convergent Healthcare Recoveries Core Resolutions Inc Delta Management Associates inc Delta Management Associates inc Delta Management Associates inc ELITE COLLECTION SERVICES LLC Gaba Law Corp harvard Collection services inc INTEGRITY ASSET PARTNERS LTD LONGVUE MORTGAGE CAP (DB) MST FINANCIAL	National Collection Systems Inc NORTHLAND GROUP NORTHLAND GROUP ORCUS FUNDING INC PENN CREDIT CORP PENN CREDIT CORP PENN CREDIT CORP Performant Recovery Inc REGIONAL ACQUISITION GROUP RMA RECOVERY INC squaretwo financial tbf financial Trinity financial services VIEWTECH FINANCIAL SERVICES VIEWTECH FINANCIAL SERVICES

Recommendation: For information only; no action required.

Submitted by Board Staff: February 19, 2015

# **Board Meeting**

## **Tab 10**

### **Other Business**

Review of action items from this meeting,  
agenda items for the next meeting, and discussion of topics  
added under the Order of the Agenda.

# **Board Meeting**

**Tab 11**

**Adjournment**